

A CERTIFIED TRUE COPY

ATTEST

By April Layne on Oct 06, 2009

FOR THE UNITED STATES  
JUDICIAL PANEL ON  
MULTIDISTRICT LITIGATION

UNITED STATES  
JUDICIAL PANEL ON  
MULTIDISTRICT LITIGATION

Oct 06, 2009

FILED  
CLERK'S OFFICE

UNITED STATES JUDICIAL PANEL  
on  
MULTIDISTRICT LITIGATION

IN RE: STANFORD ENTITIES  
SECURITIES LITIGATION

MDL No. 2099

TRANSFER ORDER

**Before the entire Panel\***: Lead plaintiff movants<sup>1</sup> in two of the three Northern District of Texas actions have moved, pursuant to 28 U.S.C. § 1407, for coordinated or consolidated pretrial proceedings of this litigation in the Northern District of Texas. This litigation presently consists of seven actions listed on Schedule A and pending in four districts as follows: three actions in the Northern District of Texas, two actions in the Southern District of Texas and one action each in the Southern District of Florida and Middle District of Louisiana.<sup>2</sup>

The following responding parties support or do not oppose the motion: plaintiffs in two of the three Northern District of Texas actions; Receiver (Ralph S. Janvey) in the Securities & Exchange Commission (SEC) action;<sup>3</sup> and Willis of Colorado, Inc., an insurer defendant in two actions. The following responding parties oppose the motion: the Southern District of Florida plaintiff (a "Willis" insurance letter case); plaintiffs in one Southern District of Texas action (the "Antigua" case); and insurer defendant Bowen, Miclette & Britt, Inc., and one affiliated individual. If the Panel deems centralization appropriate, the opposing Southern District of Florida plaintiff suggests centralization of the Willis insurance letter cases in the Southern District of Florida.

Certified a true copy of an instrument  
on file in my office on 10-26-09  
Clerk, U.S. District Court,  
Northern District of Texas  
By [Signature] Deputy

\* Judge Furgeson took no part in the disposition of this matter.

<sup>1</sup> Ute Amann; Fawzi Ale Dargham; Michael Edgecomb; Italo Belon Neto; and Christain Palacios.

<sup>2</sup> Two additional actions included in the Section 1407 motion were dismissed and are no longer before the Panel: *John Cohron v. Stanford International Bank, Ltd., et al.*, S.D. Texas, C.A. No. 4:09-511, and *Jerry Adams, et al. v. Stanford Group Co., et al.*, S.D. Texas, C.A. No. 4:09-474.

The Panel has been notified that ten related actions have recently been filed. These actions will be treated as a potential tag-along actions. See Rules 7.4 and 7.5, R.P.J.P.M.L., 199 F.R.D. 425, 435-36 (2001).

<sup>3</sup> *Securities & Exchange Commission v. Stanford International Bank, Ltd., et al.*, N.D. Texas, C.A. No. 3:09-0298.

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On the basis of the papers filed and hearing session held, we find that the actions in this litigation involve common questions of fact. Centralization under Section 1407 in the Northern District of Texas will serve the convenience of the parties and witnesses and promote the just and efficient conduct of the litigation. All actions arise out of the alleged \$8 billion fraud orchestrated by R. Allen Stanford through companies that he controlled, including Stanford International Bank, Ltd., Stanford Group Co. and Stanford Capital Management (collectively Stanford). Common factual questions involve alleged misrepresentations or omissions relating to the safety of Stanford investments.

Whether claims focus on (1) alleged misrepresentations or omissions by Stanford, (2) insurance coverage letters used by Stanford to promote its investments or (3) the alleged role of The Commonwealth of Antigua and Barbuda in the alleged Stanford fraud, all actions will likely focus on a significant number of common events, defendants, and/or witnesses. See *In re Lehman Brothers Holdings, Inc., Securities & Employee Retirement Income Security Act (ERISA) Litigation*, 598 F.Supp.2d 1362 (J.P.M.L. 2009). Centralization under Section 1407 will eliminate duplicative discovery; avoid inconsistent pretrial rulings; and conserve the resources of the parties, their counsel and the judiciary. While some unique questions of fact distinguish the Willis insurance letter cases and the Antigua case, transfer to a single district under Section 1407 will permit one court to formulate a pretrial program that allows any non-common issues to proceed concurrently with common issues, *In re Multi-Piece Rim Products Liability Litigation*, 464 F.Supp. 969, 974 (J.P.M.L. 1979); thus ensuring streamlined, just and expeditious resolution of all actions.

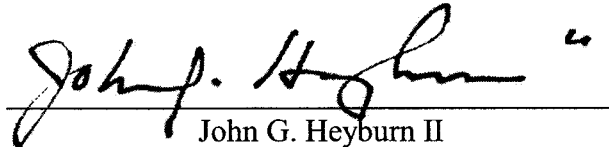
The MDL No. 2099 transferee court can employ pretrial techniques – such as establishing separate discovery and/or motion tracks – to efficiently manage this litigation. The parties can present any concerns regarding the manner and extent of coordination or consolidation of the pretrial proceedings to the transferee judge. The governing statute contemplates transfer for “coordinated or consolidated pretrial proceedings.” 28 U.S.C. § 1407(a). Accordingly, we leave the extent of coordination or consolidation of these actions to the discretion of the transferee judge. See *In re The Bear Stearns Companies Inc. Securities, Derivative and Employee Retirement Income Security Act (ERISA) Litigation*, 572 F.Supp.2d 1377 (J.P.M.L. 2008); *In re Mutual Funds Litigation*, 310 F.Supp.2d 1359 (J.P.M.L. 2004); *In re Equity Funding Corp. of America Securities Litigation*, 375 F.Supp. 1378 (J.P.M.L. 1974).

We are persuaded that the Northern District of Texas is an appropriate transferee district for this litigation, because (1) three of the eight actions are already pending there before Judge David C. Godbey, who is also presiding over the SEC action, and (2) Stanford is headquartered in nearby Houston, Texas, and parties, witnesses and documents are likely there.

IT IS THEREFORE ORDERED that, pursuant to 28 U.S.C. § 1407, the actions listed on Schedule A and pending outside the Northern District of Texas are transferred to the Northern District of Texas and, with the consent of that court, assigned to the Honorable David C. Godbey for coordinated or consolidated pretrial proceedings with the actions pending there and listed on Schedule A.

- 3 -

PANEL ON MULTIDISTRICT LITIGATION

  
John G. Heyburn II  
Chairman

J. Frederick Motz  
Kathryn H. Vratil  
W. Royal Furgeson, Jr.\*

Robert L. Miller, Jr.  
David R. Hansen  
Frank C. Damrell, Jr.

**IN RE: STANFORD ENTITIES  
SECURITIES LITIGATION**

MDL No. 2099

**SCHEDULE A**

Southern District of Florida

Reinaldo Ranni v. Willis of Colorado, Inc., et al., C.A. No. 1:09-22085

Middle District of Louisiana

Sandra C. Allen v. Stanford Group Co., et al., C.A. No. 3:09-108

Northern District of Texas

Jerry Adams, et al. v. Stanford Group Co., et al., C.A. No. 3:09-334

Larry Hernandez v. Stanford Financial Group Co., et al., C.A. No. 3:09-487

Samuel Troice, et al. v. Willis of Colorado, Inc., et al., C.A. No. 3:09-1274

Southern District of Texas

James O. Kyle v. Stanford International Bank, Ltd., et al., C.A. No. 4:09-525

Joan Gale Frank, et al. v. The Commonwealth of Antigua & Barbuda, C.A. No. 4:09-2217

**UNITED STATES JUDICIAL PANEL**  
**on**  
**MULTIDISTRICT LITIGATION**

**CHAIRMAN:**  
John G. Heyburn II  
United States District Court  
Western District of Kentucky

**MEMBERS:**  
Robert L. Miller, Jr.  
United States District Court  
Northern District of Indiana

Kathryn H. Vratil  
United States District Court  
District of Kansas

David R. Hansen  
United States Court of Appeals  
Eighth Circuit

W. Royal Furgeson, Jr.  
United States District Court  
Northern District of Texas

Frank C. Damrell, Jr.  
United States District Court  
Eastern District of California

David G. Trager  
United States District Court  
Eastern District of New York

**DIRECT REPLY TO:**

Jeffery N. Lüthi  
Clerk of the Panel  
One Columbus Circle, NE  
Thurgood Marshall Federal  
Judiciary Building  
Room G-255, North Lobby  
Washington, D.C. 20002

Telephone: [202] 502-2800  
Fax: [202] 502-2888  
<http://www.jpml.uscourts.gov>

October 6, 2009

Honorable David C. Godbey  
U.S. District Judge  
Earle Cabell Federal Bldg. & U.S. Courthouse  
1100 Commerce Street, Room 1358  
Dallas, TX 75242-1003

Re: MDL No. 2099 -- IN RE: Stanford Entities Securities Litigation

Dear Judge Godbey:

Attached are: (i) a letter directed to the Clerk of your district advising that the above-referenced litigation has been transferred to you under 28 U.S.C. § 1407 and (ii) a copy of the related transfer order.

As you may know, this office maintains all multidistrict litigation statistics and submits them to the Administrative Office for inclusion in the Annual Report of the Director. Consequently, once yearly we will verify the actual number and status of the actions assigned to you, including actions added to the docket either by transfer of tag-along actions or additional related actions originally filed in your district. You will receive a copy of our annual inquiry to your Clerk.

You may use our Citrix remote access server to access our database for information regarding assigned multidistrict litigation. Our database contains transferor and transferee information for your multidistrict litigation. It identifies counsel who made appearances in the transferor districts, counsel who filed appearances before the Panel and counsel assigned by you as liaison counsel. It tracks each individual action from the date of transfer to termination either by dismissal, remand to transferor district, remand to state court, etc. You may access the server on a Windows based personal computer with DCN access. To use the server, please feel free to contact our Systems Administrator, Al Ghiorzi, to establish a password and receive instructional information.

Your attention is directed to Rule 7.6 of the Rules of Procedure of the Judicial Panel on Multidistrict Litigation, 199 F.R.D. 425, 436-38 (2001), dealing with termination and remand of actions transferred by the Panel. Specifically, the rule states, in part, the following:

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(a) Actions terminated in the transferee district court by valid judgment, including but not limited to summary judgment, judgment of dismissal and judgment upon stipulation, shall not be remanded by the Panel and shall be dismissed by the transferee district court....

(b) Each action transferred only for coordinated or consolidated pretrial proceedings that has not been terminated in the transferee district court shall be remanded by the Panel to the transferor district for trial....

(c) The Panel shall consider remand of each transferred action or any separable claim, cross-claim, counterclaim or third-party claim at or before the conclusion of coordinated or consolidated pretrial proceedings on...suggestion of the transferee district court....

We will promptly act upon any written notices from you that remand of actions or separable claims transferred under Section 1407 is appropriate.

If you appoint liaison counsel, in your pretrial order outlining liaison counsel's responsibilities, please consider reinforcing Panel Rule 5.2(e), which provides:

If following transfer of any group of multidistrict litigation, the transferee district court appoints liaison counsel, this Rule [Panel Rule 5.2, Service of Papers Filed Before the Panel] shall be satisfied by serving each party in each affected action and all liaison counsel. Liaison counsel designated by the transferee district court shall receive copies of all Panel orders concerning their particular litigation and shall be responsible for distribution to the parties for whom he or she serves as liaison counsel.

Thanks for your help. Feel free to contact this office if we may be of assistance to you.

Very truly,

Jeffery N. Lüthi  
Clerk of the Panel

By   
April C. Layne  
Docket Specialist

Attachments (Separate Documents)

cc: Clerk, United States District Court  
for the Northern District of Texas

on  
**MULTIDISTRICT LITIGATION**

**CHAIRMAN:**  
John G. Heyburn II  
United States District Court  
Western District of Kentucky

**MEMBERS:**  
Robert L. Miller, Jr.  
United States District Court  
Northern District of Indiana

Kathryn H. Vratil  
United States District Court  
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United States Court of Appeals  
Eighth Circuit

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United States District Court  
Northern District of Texas

Frank C. Damrell, Jr.  
United States District Court  
Eastern District of California

David G. Trager  
United States District Court  
Eastern District of New York

**DIRECT REPLY TO:**

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October 6, 2009

Karen S. Mitchell, Clerk  
1452 Earle Cabell Federal Building  
& U.S. Courthouse  
1100 Commerce Street  
Dallas, TX 75242-1310

Re: MDL No. 2099 -- IN RE: Stanford Entities Securities Litigation

Dear Ms. Mitchell:

Attached as a separate document is a certified copy of a transfer order that the Judicial Panel on Multidistrict Litigation issued today in the above-captioned matter. The order is directed to you for filing. Rule 1.5 of the [Rules of Procedure of the Judicial Panel on Multidistrict Litigation](#), 199 F.R.D. 425, 428 (2001), states "A transfer or remand pursuant to 28 U.S. C. § 1407 shall be effective when the transfer or remand order is filed in the office of the clerk of the district court of the transferee district."

Today we are also serving an information copy of the order on the transferor court(s). The Panel's governing statute, 28 U.S.C. § 1407, requires that the transferee clerk "transmit a certified copy of the Panel's order to transfer to the clerk of the district court from which the action is being transferred [transferor court]."

Rule 1.6(a), pertaining to transfer of files, states "the clerk of the transferor district court shall forward to the clerk of the transferee district court the complete original file and a certified copy of the docket sheet for each transferred action." **With the advent of electronic filing, many transferee courts have found that it is not necessary to request the original file. Some transferee courts will send their certified copy of the Panel order with notification of the newly assigned transferee court case number and inform the transferor courts that they will copy the docket sheet via PACER. Others may request a certified copy of the docket sheet and a copy of the complaint (especially if it was removed from state court). You should be specific as to the files you would like to receive from the transferor courts and if no files will be necessary, you should make that clear. Therefore, Rule 1.6(a) will be satisfied once a transferor court has complied with your request.**

You may find Chapter 7 of Volume 4 of the [Clerks Manual, United States District Courts](#) helpful in managing the MDL docket.

The Panel Clerk's Office maintains the only statistical accounting of multidistrict litigation traffic in the federal courts. Therefore, we would appreciate your cooperation in keeping the Panel advised of the progress of this litigation. We are particularly interested in receiving the docket numbers assigned to each transferred action by your court; the caption and docket numbers of all actions originally filed in your district; and copies of orders regarding appointment of liaison counsel, settlements, dismissals, state court remands, and reassignments to other judges in your district.

Your attention is also directed to Panel Rule 7.6, regarding termination and remand of transferred actions. Upon notification from your court of a finding by the transferee judge suggesting to the Panel that Section 1407 remand of a transferred action is appropriate, this office will promptly file a conditional remand order.

Attached to this letter, for your information, is a copy of the Panel Service List and a listing of the transferor court clerks with respect to this order.

Very truly,

Jeffery N. Lüthi  
Clerk of the Panel

By   
April C. Layne  
Docket Specialist

Attachments (Transfer Order is a Separate Document)

cc: Transferee Judge: Judge David C. Godbey  
Chief Judge Transferee District: Judge Sidney A. Fitzwater

JPML Form 33

**Judicial Panel on Multidistrict Litigation - Panel Service List  
for  
MDL 2099 - IN RE: Stanford Entities Securities Litigation**

**\*\*\* Report Key and Title Page \*\*\***

Please Note: This report is in alphabetical order by the last name of the attorney. A party may not be represented by more than one attorney. See Panel rule 5.2(c).

**Party Representation Key**

- \* Signifies that an appearance was made on behalf of the party by the representing attorney.
  - # Specified party was dismissed in some, but not all, of the actions in which it was named as a party.
- All counsel and parties no longer active in this litigation have been suppressed.

**This Report is Based on the Following Data Filters**

Docket: 2099 - Stanford Entities SEC

For Open Cases

Docket: 2099 - IN RE: Stanford Entities Securities Litigation

Status: Transferred on 10/06/2009

Transferee District: TXN Judge: Godbey, David C.

Printed on 10/06/2009

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=>  
Stanford, R. Allen

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=>  
Willis Group Holdings Ltd.

**ATTORNEY - FIRM**

**REPRESENTED PARTY(S)**

---

Hamilton Bermuda

**IN RE: STANFORD ENTITIES  
SECURITIES LITIGATION**

MDL No. 2099

**INVOLVED CLERK'S LIST**

Michael N. Milby, Clerk  
United States District Court  
P.O. Box 61010  
Houston, TX 77208-1010

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**FLSD MDL/FLSD/11/USCOURTS**